

Symposium “After the Federal Election: How can Germany, the EU and Japan Strengthen the International Order?”, JDZB, November 3, 2017*

REPORT

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Executive Summary

The **Symposium “After the Federal Election: How can Germany, the EU and Japan Strengthen the International Order?”** was hosted by the Japanese-German Center Berlin (JDZB) with the support of the Embassy of Japan to Germany. The one-day event took place on November 3, 2017, about two weeks after the general election in Germany and Japan and has been attended by a high-profile group of participants from German and Japanese administrative and business sectors as well as from universities, think-tanks and other research facilities. The symposium has been structured into three thematic panels, covered the domestic and foreign policy implications of the general elections in both countries, addressed broader issues of regional security in the Asia-Pacific region as well as the potential for deeper cooperation between Germany, the EU and Japan on matters of international trade, regional and global security issues.

In Panel One the participants discussed the outcome of the German general election whereas the rise of right-wing populism, the securitization of the “refugee issue” as well as the three-dimensional failure of communication between politics, the media and the populace were the central topics. Overall the participants agreed that the expectations regarding the foreign policy of the new German government shouldn’t be too high: The protracted and rather troublesome coalition-building process will probably affect Germany’s readiness to act internationally.

Panel Two highlighted the roles the EU and Japan could play in shaping the international economic order. A key role has been ascribed to the Japan-EU Economic Partnership Agreement (EPA) as a pillar for common trade and regulatory framework and as a counterbalance to protectionist trends in foreign trade policy of other countries, most notably the USA. The participants estimated the ramifications of this agreement as mutually beneficial, given that both the EU and Japan undertake the necessary adjustments in the most sensitive economy sectors that would otherwise be unprepared for the incoming competition.

The last panel addressed the broad array of security-related topics in the context of general elections, among others the North Korea security crisis, implications of China’s Belt and Road (OBOR) initiative for security in North East Asia as well as the changes in the US policy in Asia-Pacific and the corresponding challenges for the regional security architecture. Although the impact Japan or the EU could have on the security situation in the region has been assessed as rather limited, the participants have repeatedly stressed the crucial role both the EU and Japan should play in maintaining the international order based on the rule of law.

By and large the participants agreed that despite regional divergences the EU and Japan are natural partners when it comes to maintaining the rule-based international order. Numerous international challenges as well as domestic difficulties resulting from the recent general elections notwithstanding, the overall cooperation potential of Germany/the EU and Japan is high, and a further dialogue on regulatory, energy, trade and security issues is necessary and important.

**This report portrays the main line of argument of the conference and it summarizes the presentations and discussions according to the understanding of the author. We therefore ask not to quote single remarks as literal remarks of the speakers.*

Welcoming remarks

In her inaugural words to participants of the symposium, **Dr. Friederike Bosse**, Secretary General of the Japanese-German Center Berlin, first addressed the importance of the 3rd of November for Japanese history and culture, being the birthday of the Meiji Emperor and presently celebrated as the “Day of Culture”. She then pointed out that this day is not only of great historical importance, but also a very fitting point in time to discuss the challenges and mutual expectations for German and Japanese foreign policy, given the great amount of political changes that have recently taken place.

The symposium was originally prepared as a follow-up to the German general election but after the Prime Minister of Japan Shinzo Abe called the snap election to be held on October 22nd, the symposium was readjusted to include a discussion on the implications of the Japanese general election as well. Elections in both countries were a challenge for the voters: In Japan, they had to deal with an abrupt ending of the legislative period and elect a new House of Representatives in a short period of time, while in Germany the elections were preceded by a very long and intense election campaign. The elections’ outcomes will most likely cause major changes in domestic politics, even more so in Germany than in Japan. While Prime Minister Abe can start the new legislative period with his “old” government, Chancellor Merkel will have to search for new coalition partners. Exploratory talks are currently taking place; the coalition talks will probably follow.

The potential coalition partners have very different positions regarding many policy sectors, including migration policy, yet the baseline for German foreign policy appears to be accepted by everyone. Regardless of the coming personnel changes in the Foreign Office, German foreign policy will continue to be guided by the rule of law and Germany will remain a reliable partner within the EU, in the NATO and towards other partners.

Nevertheless, the new German government won’t be able to maintain the status quo, as it will have to deal with many new challenges in foreign policy: First, in external trade policy, where the EU-Japan Free trade agreement takes on a new significance in the face of stalled TTIP and TPP negotiations. Second, in security policy, where the continuing military buildup of North Korea, China’s new global claim to leadership as well as the implementation of the US foreign policy’s new motto, “America first”, threaten the fragile regional stability in North-East Asia. Japan won’t remain unaffected by these and other emerging global challenges as well. It is therefore advisable for both countries to explore and discuss their mutual cooperation potential, in order to maintain and strengthen the international order. This symposium should provide a platform for such discussions.

Welcome remarks were also offered by the Ambassador of Japan to Germany **Mr. Takeshi Yagi** who emphasized the necessity for Japan and Germany to cooperate on matters of foreign policy and pointed out several reasons for that. Being the 3rd and 4th biggest economies worldwide, both Japan and Germany have the political and economic stability necessary for global leadership. Moreover, both countries prioritize digitalization, demographic change, climate change and many other common issues in their policies which makes them natural partners for cooperation. This became particularly clear during the G20 Summit in Hamburg this year where Prime Minister Abe and Chancellor Merkel worked together on issues of the global warming and global health.

In their foreign policy, Japan and Germany adhere to democratic values and to the rule of law. Despite the intent of the Trump Administration to revoke the Joint Comprehensive Plan of Action on Iran, both Japan and Germany have insisted on the implementation of the deal as an absolute necessity.

Finally, the EU and Japan currently negotiate an economic partnership agreement (EPA) and although some aspects remain to be clarified, both sides have signed a Joint Statement during the EU-

Japan Summit in July 2017 in which leaders reached an agreement in principle on the future EPA.¹ In his final remark, Ambassador Yagi has invited the scientists and other experts from Japan and Germany to exchange their opinions on these issues and thereby to contribute to a stronger and deeper relationship between Japan and Germany.

Panel 1. Election outcome and expectations for the future policy of the German government.

In Panel 1 experts offered their analyses of the outcome of the German general election and of its implications for the next legislative period. A particular focus has been made on the rise of Alternative for Germany (AfD), a right-wing political party which was able to secure seats in the German Parliament for the first time. Further topics addressed by the panelists and during the discussion have been Germany's refugee policy, the rise of separatism in Europe, foreign policy interests of Germany and Japan and the role of the US presidential elections.

The first panelist, **Prof. Dr. Karl-Rudolf Korte** from the University Duisburg-Essen, who introduced the term "Jamaica coalition"² to the wider public, began with the remarks on the specifics of German electoral behavior. He then continued with an analysis of the options available for the elected parties and the consequential expectations for the future domestic and foreign policy of the German government.

German citizens have very specific electoral preferences, different from many other European societies. Most of the population traditionally tends to settle for the centrist parties, aiming rather for continuity and stability of German policy than for progress or changes. The ideal politician is accordingly no rebel or change-maker, not a charismatic public figure, but a rather plainer office worker, a kind of a "service nobility", someone who has been in office for a long time and can deal with policy-related problems in a well-proofed and systematic way. The last general election was no exception: Over 73% of votes went to the centrist parties. The parties of the then debated Jamaica coalition would have a 38-seat majority which would give them a considerable room for maneuver in the Parliament.

The entry of the right-wing party Alternative for Germany (AfD) into the German Parliament is indeed a new development and reflects the general rise of right-wing and conservative parties in Europe. It furthermore points to the two *leitmotivs* of this year: security and identity. "Security" in this case incorporates not only the traditional political dimensions of external and domestic security, but also social and cultural security, both closely related to the concept of identity. It is understood by many as the need to determine how much diversity the German society needs, as well as who belongs to it and who doesn't.

In this context, the refugees, who are often seen as one faceless entity and as a threat, have become a symbol of dissatisfaction, insecurity and the fear of globalization in German society. The summer 2015, when the Angela Merkel government has decided to open the borders and to accept refugees stranded in Hungary, has thus predetermined the outcome of this year's elections. This decision

¹ A Joint Statement by the President of the European Commission Jean-Claude Juncker and the Prime Minister of Japan Shinzo Abe on the finalization of the EPA negotiations has been issued on the 8th of December 2017 ([European Commission, 2017](#))

² A coalition between the Christian Democratic Political Alliance (CDU/CSU), the Free Democratic Party (FDP) and the Green Party (Die Grünen). The term "Jamaica" derives from the colors symbolizing these parties (black, yellow and green respectively), similar to those of the Jamaican flag.

characterizes the policy-making of the great coalition in the last legislative period and partly explains the diversification of the current government and the re-politization of the German society.

Multi-dimensional miscommunication has also contributed to the outcome of this year's election. The lack of communication between politics and citizens that leads to the disenchantment with politics and politicians is nothing new. In the recent years we increasingly observe another kind of disenchantment: many citizens feel underrepresented not only by their politicians, but also by the mass media. This caused the emergence of a counter-public that looks for support in social media and the Internet, thus excluding itself from the public debate. The government and politics in general cannot reach the counter-public, for they haven't integrated digital communication methods in their daily practice yet.

This year's vote can be characterized as a protest vote. Many of those who voted for the AfD party did so not because of this party's election manifesto, but out of protest against the mainstream politics and against the monotonicity of the great coalition's policy. To many voters, the Parliament of the last legislative period appeared to lack diversity, with its unusually short cabinet meetings and compliant opposition.

In his final remarks Prof. Dr. Korte expressed optimism regarding the negotiations on Jamaica coalition. The coalition will most probably take place, for none of the parties gains any advantages by opting out of it. The negotiating parties still need to find a guiding theme for the future coalition, and they can only achieve that by establishing trust towards each other. The topics of "identity and security", which have been central not only in general, but also in the four state legislature elections this year, could become such a guiding theme, given that the new parliament addresses these topics by improving health care, social services, and by working on other everyday problems of German citizens.

The following presentation, held by **Matthias Nass**, chief international correspondent of the "Zeit" magazine and co-chair of the German-Japanese Forum, focused on the foreign policy perspective and on the expectations of Japan for the new German government.

Until approximately one year ago Germany has been looked upon as the leader among European nations. Its decisive actions during the refugee crisis, its proactive stance in the Ukraine (Crimea) crisis and during the crisis of confidence in the Euro-zone have contributed to its image as the main proponent of the liberal international order. After the US presidential election a year ago, many hoped for Germany to become the new leader of the free world and the bulwark against populism, separatism, nationalism and protectionism. Although the German political community unilaterally agree that Germany mustn't dominate the EU foreign policy, it has indeed become more active on the international level.

Recently however, the criticism regarding Merkel's refugee policy has increased both within Germany and in Europe. As a result, the AfD secured 94 seats in the German Parliament and the ranking of Merkel's party CDU has turned out to be the worst in the last sixty years. The image of Angela Merkel in Germany and Europe is still very positive, but we also observe the emergence of a new European leader, Emmanuel Macron. He has run a pro-European election campaign and won the French presidential election against the right-wing candidate Marine Le Pen. In his Sorbonne speech, Macron spoke of the need to revitalize Europe in the spheres of defense, market liberalization, education and innovation, and in his demands he appears to enjoy the support of the French citizen. This enthusiasm is what Europe needs, and Germany seems to be no longer able to sustain it. Until now, Merkel has not reached out to President Macron regarding his proposals on the future of the EU.

It is however critical that she does, otherwise a chance might be missed to fuel the German-French motor that drives Europe.

The current passivity of German European and foreign policy is to a great extent the result of protracted coalition talks. All negotiation parties have very different opinions on issues of European integration, migration, energy and climate and are driven by their own interests. Even after the coalition talks will have ended and the new Government will have been formed, this lack of unity will affect German policy in many ways. In the next legislative period, Germany is likely to focus much more on its domestic problems, than on foreign policy in the neighborhood, and even less so in the Asia-Pacific.

The German voice in international relations and in Asia-Pacific will only remain relevant if it continues to position itself as part of the united Europe. This is difficult in the face of the ongoing crisis within the EU, which started with Brexit and continues with the Catalonian referendum and signs of separatism, nationalism and provincialism in Austria, the Czech Republic and other countries.

In the coming legislative period Germany will probably focus more on Africa than Asia in the face of the (still) unresolved refugee crisis and the continuing inflow of refugees to Europe. German Asia policy will be primarily focused on China, given the scope of Chinese investments in the German economy and the growing Chinese presence in Europe in general. Although German-Chinese relations are relatively conflict-free for the moment and Germany won't interfere with China's security interests in the South China Sea, human rights issues may become cause for some frictions. Regarding the North Korean security crisis, Germany has no concrete program and won't take any active stance in the near future. It however offered itself in a role of the mediator between North Korea and the United Nations.

Japan will probably expect Germany to remain the advocate of the liberal international order, also after this year's elections. Germany will be expected to protect the sacrosanct human rights and in this context to stand in opposition to China and North Korea. Japan will also continue to observe the implementation of the German experiment of *Energiewende* ("Energy transition") and the development of renewable sources of energy. This topic remains central for Japan, even though many things have changed since the Fukushima nuclear disaster.

According to Mr. Nass, Germany will maintain friendly relations with Japan while both countries will continue to work together on issues of terrorism, climate and energy policy and trade. Germany and Japan will likely be drawn together even closer in the face of the Trump Administration's approach to international relations. Nevertheless, both countries will need the US as an ally in NATO, for neither Germany nor Japan are able to deal with the conflicts in their respective neighborhoods alone, be it Ukraine, North Korea or the Middle East and North Africa. The cooperation between Germany and Japan is also likely to intensify given that both heads of government, Chancellor Merkel and Prime Minister Abe, know each other very well. Both of them will probably remain in office for the next four years and this will surely help Germany and Japan to maintain relations built on trust and mutual understanding.

Discussion

The two presentations have inspired a lively debate. Several experts drew a comparison between the US Presidential election 2016 and the German general election 2017 and asked the speakers to elaborate on the similarities and differences between these two elections. Both speakers agreed that in both cases the scope of the public dissatisfaction has been gravely underestimated, and that social media contributed significantly to growing support of the AfD in Germany and Donald Trump in the USA. As a result, both countries have witnessed a "protest-election". Furthermore, the

communication gap mentioned by Prof. Dr. Korte can be observed in the USA as well: clearly, the Clinton voters prefer certain media, i.e. NBC or the Washington Post, which the Trump voters never consume and vice versa. Both elections were nevertheless different, in at least one way: the German society was and remains much less polarized over politics than the US-American society.

Caution has been expressed concerning the role of Macron as Germany's ally in bringing European integration forward. Macron intends major reforms, among others in tax policy, employment policy and legal policy, and the number of his critics is rising. Nonetheless, his conviction that many national problems have to be solved on the EU-level and his belief in the future of the EU make him a reasonable partner for Germany.

The next round of questions addressed the potential and readiness of the future German government to engage in foreign policy issues. On the one side, the expectations towards German foreign policy shouldn't be too high given the focus of the coalition negotiations on domestic and European policy. On the other side, all negotiating parties already have several starting points for a common foreign policy approach: among others, all centrist parties are in favor of the Paris Agreement and the open European market. In this respect Germany has a lot in common with Japan that favors free trade and is currently negotiating EPA with the EU. Despite the effects of Brexit as well as protectionist tendencies in certain economy sectors, such as automotive industry, the progress of the EPA negotiations will probably not be impeded.

In terms of security policy, German and Japanese interests differ due to each country's regional interests. While Germany and the EU focus on the refugee issue and the issue of domestic terrorism, Japan's foreign policy is driven by the regional instability in North East Asia, the North Korean issue and political and economic interests in South-East Asia. There are nevertheless regions where German and Japanese security interests intersect, namely in Russia and China, and it is important that both countries work together in this direction. There are at least two international platforms Germany and Japan can use for cooperation on security issues, one being the UN, the other might be NATO.

Panel 2. International Economic Order: New Framework and New Rules for EU-Japan Economic Cooperation.

In Panel 2 the speakers and other participants of the symposium addressed the recent shifts in the international economic and financial system. Both speakers focused on the EPA between the EU and Japan currently under negotiations and offered an overview of the economic and political implications of this agreement. Other major economic and geopolitical projects, among other China's "Belt and Road" Initiative (OBOR) have also been mentioned.

Prof. Yorizumi Watanabe from Keyō University (Tōkyō) who has been an ardent supporter of the EU-Japan EPA analyzed the opportunities this Agreement opens, not only for the EU or Japan, but for the global trade relations as well.

Prof. Watanabe began with an overview of Japan's external trade strategy so far. A latecomer to the international trade system, Japan didn't have any free trade agreements (FTA) until the end of the 20th century. Nevertheless, after it has joined the WTO and GATT trade system, Japan has been a continuous advocate of multilateral trade relations and free trade and pursued a trade strategy compliant with these frameworks. By the end of the 20th century a production value chain began to

take shape in Asia and to strengthen this process, Japan has started to develop its own EPA³ strategy. The first EPA has been signed with Singapore, fourteen others followed and many more are being currently negotiated. Bilateral EPAs are in force not only in Asia, but in other regions as well, most notably in Latin America. A prime example of the mutual advantages of such an agreement is the EPA between Japan and Mexico. After entering into force in 2005, the EPA has contributed to the significant growth of the Mexican auto industry, which went up in the world-wide ranking from the 13th to the 7th place. Japanese business in Mexico thrived as well, growing from 330 companies in 2005 to 1100 companies in 2017.

By 2013 Japan entered the negotiations on an FTA with China and South Korea and on three transregional EPAs, the Transpacific Partnership (TPP), the Regional Comprehensive Partnership (RCEP) and the EPA with the EU. One could observe how progress on either one of the agreements provided an additional stimulus for the negotiations on the other. Most notably, Japan plays the role of a pivotal center between the TPP and the RCEP that have been negotiated almost simultaneously. These two agreements are however different in nature: While RCEP is designed to provide equitable and fair-trade conditions for all participants, most of which are developing countries, the TPP would provide a new regulatory framework for the international trade – an aspect that could not be agreed upon within the GATT framework.

The TPP agreement has been designed to be very extensive and as such it has been perceived by Japan as the template for EPAs of the 21st century. On the other side, Japan had its difficulties accepting the provision on unexceptional tariff cuts in all economy sectors. Some very sensible sectors, first of all in agriculture (rice, wine, sugar, pork and beef) had to be protected and Prime Minister Abe has indeed managed to assert the Japanese agenda in the TPP negotiations.

The Japan-EU EPA is similar in scope to the TPP, covering a wide array of issues from market access in goods and services, customs and trade facilitation, e-commerce and competition policy and investment to government procurement, sustainable development, dispute settlement and regulatory cooperation. Under the EPA, Japan will be granted tariff elimination on numerous manufactured products and significant tariff cuts on agricultural products. This will also mean that Japan has to reorient its agricultural sector to be more export active on the one side and more open to European imports on the other.

The GDP of EPA's parties would amount to roughly one third (29,5%) of the global GDP, not far from TPP which would amount to 36,3%. There are still some unresolved issues, but the Agreement in Principle has been already signed and the EPA is expected to be finalized by the beginning of 2018.

The US withdrawal from the TPP negotiations, announced by Donald Trump shortly after his inauguration and officially confirmed early this year, will cause major economic and geopolitical shifts. In the absence of TPP China will lose its interest in promoting free trade in Asia through RCEP and Japan- China-Korea FTA. Together with the other BRICS countries it will push its own, power-oriented trade policy and focus on the development of the OBOR initiative by making full use of the AIIB and the BRICS Bank. All in all without the stimulus provided by the TPP free trade is likely to lose momentum in Asia which will negatively affect the region as a whole.

In his concluding remarks, Prof. Watanabe underlined the importance of TPP as the template for future EPAs. Even without the USA TPP must be kept afloat in order to maintain the momentum for free trade. Other multilateral trade agreements, such as the RCEP and the Japan-China-Korea FTA, should be pushed further to support the production network in East Asia. Finally, the Japan-EU EPA,

³ While an FTA usually covers market access, trade in goods and services, an EPA usually has a significantly wider scope, by including i.e. provisions on investment, business environment, government procurement, movement of persons, competition etc.

which remains de facto the only surviving transregional EPA up to date, should serve as a deterrent against protectionism and bilateralism of the Trump Administration.

The next speaker, **Dr. Hanns Günther Hilpert** from the German Institute for International and Security Affairs (Stiftung Wissenschaft und Politik, SWP), has also stressed the importance of the Japan-EU EPA as a clear signal against protectionism. He then provided an extensive analysis of the potential economic effects of this agreement and addressed some pitfalls and limitations both parties should be aware of.

If signed, Japan-EU EPA would signify the emergence of the world's biggest free trade area and provides a real opportunity for mutually beneficial economic growth and for the establishment of a new comprehensive regulatory framework on global trade. Although trade volumes in bilateral trade have been going down for many years, Japan remains the sixth biggest trade partner of the EU with 58 billion exports and 68 billion imports yearly, while the EU is Japan's third biggest export partner after China and the USA and the second biggest import destination after China.

The EPA would not only revitalize bilateral trade flows but also compensate for trade distortion existing due to the FTAs that Japan and the EU have with other countries. Furthermore, it is likely to cause a shift of Japanese investment to continental Europe, in particular in the spheres of digitalization, robotics, life science and energy efficiency. Enhancement of industrial cooperation and the general growth of GDP and production is to be expected as well.

The most significant export gains are to be expected in economy sectors where bilateral trade is already established and developed. These include automotive industry, industrial machinery, electronics and fine chemical industry for Japan and agriculture, food industry, automotive industry, chemicals, pharmaceuticals, cosmetics and industrial machinery for the EU. Finally, the European market will be likely enriched by the export of Japanese life style and cultural items such as design and living products, horticulture and media.

As every other free trade agreement, the Japan-EU EPA has also several pitfalls and limitations, the most obvious one being the displacement effect for some sensible economy sectors. European automotive industry will have to face greater competition due to Japanese exports, whereas adjustments will be required in in Japan's agricultural industry and dairy products.

In addition, several sections of the Agreement might be strongly opposed by the civil society: In the EU, the biggest fears regarding the EPA are connected to the investor-state dispute settlement mechanism that could grant major corporations instruments to bypass national regulations. Non-binding sustainability clause is another critical section, for it could provide support to practices which are insupportable for the EU civil society (i.e. whaling, import of illegal logging timber from third countries). In Japan, the successful implementation of the agreement depends on the government's political efforts to neutralize the anti-liberalization forces, most notably of the agricultural lobby, and to repeal regulations discriminatory towards foreign businesses.

Finally, the EPA doesn't cover several informal barriers that could prevent European businesses from entering the Japanese market. Japanese business culture is rather exclusive, and it is extremely difficult for foreign businesses to develop their networks and cultivate long-term business relations there. Additionally, the European businesses will have to deal with high taxes and business costs despite stagnating sales markets. Some reforms addressing these issues are already under way, but no significant progress can yet be observed.

Dr. Hilpert concluded by adding some remarks on political implications of the agreement. Together with the EU-Japan Strategic Partnership Agreement (SPA), the EPA signifies mutual political intent to deepen global political and sectoral cooperation. Japan and the EU share values and common

foreign policy concerns that will be addressed by both the SPA and the EPA. Among them are the maintenance of peace and stability, the support of liberal world order and the dialogue with autocratic neighbors (Russia and China). These agreements will contribute to a stronger EU presence in Asia and to the Japanese presence in Europe. Finally, the agreements will provide a counterbalance to protectionism and the unpredictable foreign policy of the Trump Administration and serve as a template for future agreements with the other nations.

Discussion

Following the presentations, participants discussed the reaction of Japan's civil society towards EPA. Prof. Watanabe drew a parallel to the TPP negotiations with the USA and pointed out, that the policy makers had to deal with strong confrontation towards the agreement. The opposition came both from the agricultural lobby and the general public whose biggest fear was that the US would devour the Japanese economy and culture. He then stressed that in the case of EU-Japan EPA as well, more efforts on the part of the Japanese government are needed to overcome the general skepticism of the population towards free trade agreements. It should be made clear that it is necessary to provide stronger competition for Japanese agricultural sector in order to make it stronger, and an EPA would be a perfect opportunity to do so.

Other questions concerned EU-Japan cooperation on data protection and dual technologies. Prof. Watanabe confirmed the interest of Japan in cooperation with the EU on data issues. An agreement on e-commerce regulations, including the data localization requirements, has been already reached within the EPA. Japan acknowledges the importance of data protection for European societies and is ready to enhance the cooperation on this issue beyond the EPA. Dr. Hilpert added that, contrary to the US, the EU and Japan have a solid common ground on data protection and that an EU-Japan Agreement on Data Protection is currently under negotiations. He also noted that Germany and Japan have recently signed an agreement on dual-use technology and defense sharing.

Regarding global trade standards Dr. Hilpert argued that negotiations on free trade and common regulatory framework should ideally take place on the WTO-level and include China, other BRICS-countries as well as other partners. Until this is possible, the EU must however proceed with such negotiations within EPAs – with Japan, but also with South Korea, Canada and the South-American common market MERCOSUR.

Panel 3: International political order and regional issues – Regional security in North-East Asia and the international order (rule of law)

Prof. Dr. Verena Blechinger-Talcott (Professor of Japanese Politics and Economy, Free University Berlin) opened the third panel that addressed implications of general elections in Germany and Japan for the broader issues of security and the strategic environment. In the first block of the panel the speakers and participants discussed Japan's perspective of the North Korean security challenge and the Russian interests in North East Asia. The last block focused on the implications of the so-called "Trump effect", that is, of the changing American attitude towards the relations in Asia, and for the global world order in general.

In his presentation of the Japanese perspective regarding the North Korea challenge **Prof. Hajime Izumi** (Tōkyō International University, TIU) outlined the recent developments on the Korean Peninsula. Until now, North Korea has performed six nuclear tests, the recent one taking place this September. This summer Pyongyang launched its first intercontinental ballistic missile (ICBM) that

could arguably reach the US coast. This situation is certainly a challenge for North East Asia as it destabilizes the regional security environment.

There is a clear consistency between the North Korean missile and nuclear tests and the criticism of the North Korean regime coming from the US. North Korea claims that the tests are a response to the US threat and to the continuous provocations from the Trump administration. The current US Administration has indeed a critical stance toward North Korea: last August, it confirmed that the US will continue to dispatch B1 bombers to the Korea peninsula. During the General Assembly on 19th September, Donald Trump declared that if North Korea invades or attacks South Korea, the US will have no choice but to “totally destroy” the former. Later, in October this year, the US has conducted a joint military drill with South Korea which put additional pressure on North Korea to respond.

The international community strongly opposes North Korean nuclear and ballistic missile tests and has adopted several resolutions to inhibit such activities. These resolutions are quite extensive, but the problem is that North Korea doesn't care about them. Pyongyang doesn't seem to care for international law in general, just as they have always been against the international order dominated by the US. This lack of acceptance of the international order by North Korea is the main challenge for our countries.

While international pressure on the North Korean regime must be maintained, the international community also has to think about different means to prevent further escalation of North Korea's military activities. There has been an attempt to start a dialogue within the Six-Party talks, but perhaps a Four-Party scheme would be a more effective instrument. Four parties to the Korean War, the US, China and both Koreas, should first officially declare an end of the Korean War that technically ended in 1953. The hostile parties must then start a dialogue with each other in order to create a durable peace structure. This means that North Korea and South Korea, North Korea and the USA as well as North Korea and Japan must establish functioning relations.

On the continuously debated issue of international acceptance of North Korea as a nuclear power, Prof. Izumi argued that North Korea is already a *de facto* nuclear state whether the international community acknowledges that or not. However, without an officially recognized nuclear status, North Korea will not ratify the Non-Proliferation Treaty. The international community thus loses an additional instrument of nuclear disarmament. It is therefore advisable to start thinking about recognizing North Korea as one of the nuclear powers.

The next speaker, **Prof. Dr. Akihiro Iwashita** (Hokkaidō University/Kyūshū University, Japan) presented his analysis of the Russian realities in Northeast Asia and elaborated on the geopolitical shift within the Russia-China-US-Japan Quadrangle as well as on the implications of the Russian pivot to the East and on the roles Germany and Japan might play in the region.

Prof. Dr. Iwashita started by commenting on the existing asymmetry in the perception of Russia and China by different countries. While the experts and decision-makers in Washington DC maintain an Atlantic-centered worldview according to which Russia is seen as an extension of Europe and China as an East Asian power, Japan is driven by the Pacific-centered perception with the focus on the marine borders within its direct neighborhood. Meanwhile Russia and China, that share over 4000 km of inland borders, make the case for the Eurasia-centered worldview.

Historically, a major part of the confrontations in Eurasia has taken place on the central continental part of Eurasia. This conflict zone now shifted, in line with the changes in international order, with Russia looking more towards its 200-mile zone including the North Pole and the Arctic, and China and its neighbors in Asia, such as India and North Korea. Japan shares maritime zone with Russia, North Korea and China and has some disputed areas in this zone.

Russia is a direct neighbor of Japan and as such represents one of its most crucial foreign policy directions, along with China. By contrast, despite being an important ally of Japan, the US is very distant from Japan and often don't understand where Japan's core interests lie. While the EU is located equally far, both the EU and Japan have overlapping interests in Russia and they must work together to shape a mutually acceptable order on the continent.

Pr. Dr. Iwashita then presented a table where the main regional actors, the US, China, Russia, Japan and South and North Korea have been categorized according to three dimensions of their approach to the North Korean issue: their ability to affect the issue ("power"), the extent of their geographical connectedness to the region ("border") and the place of the region in their strategic priorities ("theater"). Accordingly, although the US and China have the highest ability to bring about change in the region, they remain relatively passive since North Korea is only one of their many strategic priorities. On the other side, while the solution of the North Korean issue is of highest importance for South and North Korea, they both lack the power to achieve it on their own. Finally, Russia and Japan are direct neighbors of North Korea, but neither prioritize this issue over all other ones nor have the necessary resources to address it. Due to the fact that Russia's welfare isn't significantly affected by the North Korean issue, it has a lot of room of maneuver in the region, contrary to South Korea or Japan. Russia can therefore be a very flexible, albeit indirect partner in the negotiations.

The Russian foreign policy in North East Asia is characterized by its strategic partnership with China and its unwillingness to accept the US as a global hegemon. Contrary to its rather strong and aggressive EU policy, Vladimir Putin has a very moderate approach in North East Asia. Japan is an important partner for Russia and Prime Minister Abe appears to have a favorable disposition towards Vladimir Putin. Putin's interest in the further development of the relations with Japan is even more pronounced in face of the extension of EU sanctions and the introduction of additional US sanctions toward Russia. Japan however remains a "wild card" in the Russian North East Asian strategy, as Japan-Russia relations will depend on the depth of the Japan-US alliance in the future.

Germany and Japan could cooperate on both the North Korean issue and on Russia. While Germany has no direct influence on the North Korean issue, it has a North Korean embassy and diplomatic ties with North Korea. It can therefore play a role of the mediator in the region. Finally, Japan and Germany can share information on Russia that would help them to avoid the overreliance on Putin.

The presentations were followed by the commentary of **Dr. Hans-Joachim Schmidt** (Peace Research Institute Frankfurt, PRIF/HSFK) who has first elaborated on the role of the EU's foreign policy in this region. There is a clear divide between the EU member states on the North Korean issue: Some member states maintain a hardliner approach and demand stronger measures in line with the approach of Donald Trump. However, there are also member states that call for a dialogue with North Korea, with Germany being one of them. These member states argue that diplomatic and military pressure and economic sanctions alone won't solve problem.

In the case of the Iranian nuclear issue, the EU could use bilateral trade as "carrot and stick" to bring Iran to the negotiation table. The situation is entirely different in the case of North Korea, since the EU has practically no trade relations with this country and therefore doesn't have the necessary leverage. The EU will thus play only a minor and supportive role in the negotiations with North Korea. However, once there is an agreement, the EU could have a greater role and contribute to the agreement's implementation.

Dr. Schmidt agreed on the necessity to admit the de facto nuclear status of North Korea, albeit without an official recognition of such status. He then presented four possible options for the further development of the North Korean issues. The first option would be to maintain the status quo, that

is, to continue the deterrence of North Korean regime. In this case the conflict will likely linger on, although without any major escalations. The second option - the military regime change in North Korea enforced by the US - is a very risky choice and not the most favorable one. The third option is the diplomatic management of the nuclear issue. However, as the international efforts have shown so far, this measure will provide no final solution. The regime change in North Korea from within is the last option and also the only one able to provide a sustainable solution to the nuclear issue.

There are two possible ways of how the successful management of the North Korean issue could work out. On the one side, it could improve the relationship between China and the USA. On the other side, if the management fails, it could exacerbate the US-China confrontation, even to an extent of a trade war, which would have global consequences. It is unclear, which of these two ways the US Administration will follow, but for now Trump doesn't appear to be willing for negotiations. Trump's show of force in North East Asia is first of all aimed to satisfy his voters. This strategy has clear economic advantage for the US, for it provokes North Korea to demonstrate their military power and consequentially causes the US allies in the region, Japan and South Korea, to buy more US-American weapons. Moreover, the Trump administration has still no executives responsible for talks with North Korea, neither in the embassy in Seoul nor in the National Bureaus of East Asia, Arms Controls and International Security.

Discussion

The debate on official acceptance of North Korea as a *de facto* nuclear power has been continued during the discussion. Several participants pointed out the dangers of such an act, among them the danger of the nuclearization of the rest of East Asia. According to Mathias Nass, about 60% of the South Korean population support the development of nuclear weapons in South Korea, while Japan already has enough nuclear material to build above 6000 weapons at any time. Moreover, the international recognition of North Korea's nuclear status could cause the US to move nuclear weapons to the Korean and Japanese shores, which would not only provoke North Korea to aggressive military action, but also spur Russian opposition.

China's position on the North Korean issue and its capability to affect the situation has been another topic under discussion. China's position towards North Korea appears vague to many observers and this indecisive stance damages Chinese international reputation and the potential to establish a working relationship with the US. On the other side, despite its political and economic power, China doesn't have as much room for maneuver as many might think. China's stability is highly dependent on the peace in the region and it has to be careful not to provoke North Korea to military actions. China's economic presence in North Korea cannot serve as a leverage either, as the bilateral trade is mostly conducted by small companies and by barter trading.

Japan's potential in addressing the North Korean issue has been generally regarded as limited. In one of his remarks, Prof. Iwashita also added that Japanese policy makers don't perceive North Korea as an immediate threat due to the military deterrence provided by the USA. Furthermore, a successfully resolved security crisis in North East Asia could draw the US and China closer together and Japan would not favor this development.

Finally, Bernt Berger (DGAP) has pointed to another possible option for the development of the North Korean issue: a normalization of the relations between the US and the North Korea. The current lack of this option on the table cannot be blamed on North Korea alone, the historical development as well as the US politics play a major part as well.

Prof. Dr. Ken Jimbo(Keiō University, Tōkyō) opened the last block of the Third Panel with a presentation on the Trump administration's security policy towards Asia: implications for the regional security architecture.

Prof. Dr. Jimbo first provided an analysis of the development and the current state of the security architecture in the Asia-Pacific. He stressed that this architecture is quite different from the one in Europe where such overarching institutions as NATO are core to regional security. There are no such institutions in Asia where the network of bilateral alliances, the so-called San Francisco system, has been in place since 1951. Only in the 1990s, the Asia-Pacific has seen an emergence of such regional security dialogue mechanisms as the ASEAN Regional Forum. Since then, three major changes have taken place. First, several bilateral alliances were extended to include new partners. Second, new ad hoc functional mechanisms have been developed as a non-conventional institutional arrangement to address non-traditional security threats. One of the first such mechanisms has been the core group of the US, Australia and Japan on disaster relief and humanitarian assistance cooperation. Other groups followed to cover anti-terrorism cooperation, non-proliferation security initiative, intelligence security cooperation on organized crime etc. Third, a different security cooperation format in form of multilateral institutions began to develop in the 2000s, among them are the ASEAN Defense Ministerial Meeting Plus (ADMM Plus) and the East Asian Summit (EAS) which has been joined by Russia and the US in 2010.

These developments have led to the emergence of a three-tiered regional security architecture in Asia-Pacific with the first, traditional tier including the network of alliances and partnerships. The second tier covers functional cooperation on numerous issues (joint trainings, cooperation on public health, combatting trafficking and organized crime etc.) and builds on the first one. This tier has an open format without any limitations regarding participating countries and therefore contributes to the relief of regional security tensions. The third tier includes institutionalized regional cooperation mechanisms, such as the previously mentioned EAS and ADMM Plus, the Shanghai Cooperation Organization, the Conference on Interaction and Confidence-Building Measures in Asia (CICA) as well as several track-two communication formats. In the third tier, rules and norms agreed upon within the tier two cooperation become institutional standards and a part of the security regulatory framework.

After this extensive overview, Prof. Dr. Jimbo highlighted the main characteristics of the Trump administration's foreign policy in Asia-Pacific. The US foreign policy under Trump is shaped by three prototypes. The "America First" doctrine is the first such prototype, signifying the primacy of the national interest in the US foreign policy. Commitment of the US to its traditional alliances in the region is an expression of this prototype, as well as the US call on its allies to pay more for the maintenance of the US security umbrella.

The second prototype is the so-called "Deal-Making Diplomacy" which assumes the ability and willingness of the US to achieve beneficial deals with the world's great powers. The recent signs towards some kind of a Great Bargain between the USA and China reflect this prototype. Such a bargain could include the division of Asia Pacific into influence spheres (Taiwan, South China Sea etc.) or focus on cooperation in nuclear deterrence.

The third prototype, "Peace through Strength" drives Trump's plans to rebuild the military and to curb the annual military expenditures. Under Barack Obama the US military budget underwent considerable cuts and amounted to 3.2% of total economic output. By contrast, Trump is trying to reverse this trend as the proposed military budget for the 2018 fiscal year will amount to 667.6 billion and increase further in 2019.

Prof. Dr. Jimbo concluded by arguing that the Trump's administration approach to Asia will develop somewhere between these three prototypes.

In his comments on the two presentations, **Dr. Henning Riecke** (German Council on Foreign Relations, DGAP, Berlin) elaborated further on the implementation of the three prototypes of the US foreign policy. He stressed the central role of the “America First” doctrine in Trump’s foreign policy approach and pointed to the relative consistency of his foreign policy views that didn’t change since the times long before his election campaign (i.e. his criticism of the unjust treatment of the US, the oversimplification of security alliances or the misuse of the free trade). “America first” also means “Trump first” as his main goal is to be reelected as someone who delivers on his promises in domestic policy. Trump’s focus on his domestic mandate also means that he probably won’t have that much interest in foreign policy.

On the other hand, it is necessary to consider that Trump is only a part of the US government. A brief look at more sober, subtle policies of the current US government on the domestic level confirm that Trump is merely the loudest speaker of a government that is much more rational when it comes to policy-making.

The Trump administration’s strategy for Asia still remains unclear and this uncertainty causes a loss of confidence in the US as a partner from the perspective of Asian nation states. The US puts pressure on its Asian allies to pay more for the defense forces, and its withdrawal from the TPP negotiations created additional uncertainty in the region. Trump’s abilities as a “Deal-Maker” are doubtful as well, given that it is rather difficult for him to accept China as a reliable partner. A Great Bargain with China might not leave America better off, since China aims to expand its global influence.

As to the “Peace through Strength” prototype, the increase in military expenditures alone isn’t going to change anything for the security situation in Asia-Pacific. When it comes to the military dominance, the US would need to embed its military potential in the regional security architecture, which is unlikely to happen in the face of Trump’s general disregard for international architecture. If the Trump administration has some kind of regional security in mind, it is unlikely to be rule-based, inclusive or even embracing China. It will be a more confrontative approach based on the close reliance on existing allies.

The next series of remarks has been added by **Dr. Gudrun Wacker** (German Institute for International and Security Affairs, SWP, Berlin), who complimented Dr. Jimbo on his presentation of the security architecture in Asia and emphasized the complexity of the existing structures. There are not only multiple alliances and partnerships, they also differ in depth and quality. She then addressed the remark of Dr. Schmidt on the lack of executive staff in the current US administration. Dr. Wacker pointed out that this might be an intentional strategy of Donald Trump to narrow down the entry points to the US policy making and thus to increase his own leverage.

She further argued that any kind of a Great Bargain between China and the USA would be detrimental to the smaller states, and therefore not in interest of any other country in the region. The opposite development, that is an open conflict between the US and China, is also something all countries in the region would like to avoid, as it may spill over into something more serious and lead to war affecting the whole region.

As for the future regional development, China’s President Xi Jing Pin appears to be the only person who came forward with a certain vision. This vision has first been intended as a response to Obama’s pivot to Asia by stressing the need for Asian nations to take care of their security issues by themselves. Nowadays China’s vision has developed much further to include multiple regional platforms and initiative with the Belt and Road initiative at its center. One should however note that the belt and road initiative is aimed not at regional integration but at the development of China-centered network of corridors.

In conclusion, Dr. Wacker noted that the cooperation between the EU and Japan to defend the rule-based order is as important as ever. With the US attempting to define its own rules, the EU and Japan must work together and also look for other partners to support global order (i.e. Australia, Canada). The Japan-EU EPA could be a good first step in this direction. It is however crucially important to engage with China as far as possible. While China's presence in the EU became much more tangible in the last ten years, the European stance on China's foreign policy in general and to the Belt and Road initiative in particular has been too passive. Meanwhile there are certain areas of foreign policy on which the EU and China share similar views, one being the conviction in the necessity of the Iran nuclear deal.

Prof. Dr. Blechinger-Talcott has opened the **final discussion** with a question about the possible development of the security architecture in Asia-Pacific under Trump. The speakers agreed that the US withdrawal from the region won't cause the emergence of any new institutions. Instead the regional powers will use the (already extensive) security architecture in place with a particular emphasis on bilateral partnerships and alliances.

The next question addressed the Japanese approach to regional security and the need to pursue a more cooperative approach towards China. Prof. Dr. Jimbo has emphasized the progress Japan has already achieved in its dialogue with China despite the recent security and diplomacy crisis on the issue of the Senkaku Islands. After Japan has declared the nationalization of Senkaku Islands, China seized all diplomatic transactions with Japan. A major breakthrough took place shortly before the APEC Summit in 2014 when Prime Minister Abe agreed to settle the issue through dialogue over time.

The final round of questions addressed the Chinese perspective of the US foreign policy in Asia-Pacific. From this perspective, Trump appears to be a more desirable partner than Hilary Clinton would have been. While it would have been reasonable to expect Clinton's China policy to be driven by values, Trump operates based on profit and interests – both acceptable concepts for the Chinese leadership. Dr. Wacker mentioned the Trump's position towards One China Policy as an indicator of his ambitions in the region. When Trump agreed to honor the One China Policy early this year, he likely considered the upcoming meeting with Xi Jing Pin in Mar-a-Lago and the chance to negotiate a Great Bargain which otherwise would have been lost. For the same reason the Trump administration might have been very reluctant to proceed the arms deal with Taiwan and suspended the proposed freedom of navigation operations in the South China Sea. In her concluding remark Dr. Wacker noted, that - from the Chinese perspective - the western democracies have proven to be dysfunctional. This was demonstrated by the recent populist movements, the outcome of the Brexit referendum and the financial crises. Therefore, in the recent years, China has gained more self-confidence to become a model for the developing countries and move towards global leadership.